

## APPENDIX.

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### *Statutes relating to Postal Savings System.*

Section 1 as originally adopted in part provides (36 Stat. 814—June 25, 1910):

“That there be, and is hereby, created a board of trustees for the control, supervision, and administration of the postal savings depository offices designated and established under the provisions of this Act, and of the funds received as deposits at such postal savings depository offices by virtue thereof. Said board shall consist of the Postmaster-General, the Secretary of the Treasury, and the Attorney-General, severally, acting *ex officio*, and shall have power to make all necessary and proper regulations for the receipt, transmittal, custody, deposit, investment, and repayment of the funds deposited at postal savings depository offices.”

Section 1 as amended (39 U. S. Code, 751):

“There shall be a board of trustees for the control, supervision, and administration of the postal savings depository offices designated and established under the provisions of this chapter, and of the funds received as deposits at such postal savings depository offices by virtue thereof. Said board shall consist of the Postmaster General, the Secretary of the Treasury, and the Attorney General, severally, acting *ex officio*, and, except as otherwise provided by section 768 of this title, shall have power to make all necessary and proper regulations for the receipt, transmittal, custody, deposit, investment, and repay-

ment of the funds deposited at postal savings depository offices.

“The board of trustees shall submit a report to Congress at the beginning of each regular session showing by States and Territories (for the preceding fiscal year) the number and names of post offices receiving deposits, the aggregate amount of deposits made therein, the aggregate amount of withdrawals therefrom, the number of depositors in each, the total amount standing to the credit of all depositors at the conclusion of the year, the amount of such deposits at interest, the amount of interest received thereon, the amount of interest paid thereon, the amount of deposits surrendered by depositors for bonds issued by authority of this chapter, and the number and amount of unclaimed deposits. Also the amount invested in Government securities by the trustees, the amount of extra expense of the Post Office Department and the Postal Service incident to the operation of the postal savings depository system, and all other facts which it may deem pertinent and proper to present.”

Section 3 (39 U. S. Code 753):

“Every post-office designated by order of the Postmaster General is declared to be a postal savings depository office within the meaning of this chapter and to be authorized and required to receive deposits of funds from the public and to account for and dispose of the same, according to the provisions of this chapter and the regulations made in pursuance thereof.

Section 7 (39 U. S. Code 757):

“Interest at the rate of two per centum per annum shall be allowed and entered to the credit of each depositor once in each year, the same to be computed on

such basis and under such rules and regulations as the board of trustees may prescribe; but interest shall not be computed or allowed on fractions of a dollar.

Section 8 (39 U. S. Code 758):

“Any depositor may withdraw the whole or any part of the funds deposited to his or her credit, with the accrued interest, upon demand and under such regulations as the Postmaster General may prescribe. Withdrawals shall be paid from the deposits in the State or Territory, so far as the postal funds on deposit in such State or Territory may be sufficient for the purpose, and, so far as practicable, from the deposits in the community in which the deposit was made. No bank in which postal savings funds shall be deposited shall receive any exchange or other fees or compensation on account of the cashing or collection of any checks or the performance of any other service in connection with the postal savings depository system.”

Section 9 (39 U. S. Code, 759):

“Postal savings funds received under the provisions of this chapter shall be deposited in solvent banks, whether organized under national or State laws, and whether member banks or not of the Federal reserve system, being subject to national or State supervision and examination, and the sums deposited shall bear interest at the rate of not less than  $2\frac{1}{4}$  per centum per annum, which rate shall be uniform throughout the United States and Territories thereof; but 5 per centum of such funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be treasurer of the Board of trustees, in lawful money as a reserve.

The board of trustees shall take from such banks such security in public bonds or other securities, authorized by Act of Congress or supported by the taxing power, as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand. The funds received at the postal savings depository offices in each city, town, village, and other locality shall be deposited in banks located therein (substantially in proportion to the capital and surplus of each such bank) willing to receive such deposits under the terms of this chapter and the regulations made by authority thereof. If one or more member banks of the Federal reserve system exists in the city, town, village, or locality where the postal savings deposits are made, such deposits shall be placed in such qualified member banks substantially in proportion to the capital and surplus of each such bank, but if such member banks fail to qualify to receive such deposits, then any other bank located therein may, as hereinbefore provided, qualify and receive the same. If no such member bank and no other qualified bank exists in any city, town, village, or locality, or if none where such deposits are made will receive such deposits on the terms prescribed, then such funds shall be deposited under the terms of this chapter in the bank most convenient to such locality. If no such bank in any State or Territory is willing to receive such deposits on the terms prescribed, then such funds shall be deposited with the treasurer of the board of trustees and shall be counted in making up the reserve of 5 per centum. Such funds may be withdrawn from the treasurer of said board of trustees, and all other postal savings funds, or any part of such funds, may be at any time withdrawn from the banks and savings depos-

itory offices for the repayment of postal savings depositors when required for that purpose. If at any time the postal savings deposits in any State or Territory shall exceed the amount which the qualified banks therein are willing to receive under the terms of this chapter, and such excess amount is not required to make up the reserve fund of 5 per centum hereinbefore provided for, the board of trustees may invest all or any part of such excess amount in bonds or other securities of the United States. When, in the judgment of the President, the general welfare and interests of the United States so require, the board of trustees may invest all or any part of the postal savings funds, except the reserve fund of 5 per centum herein provided for, in bonds or other securities of the United States. The board of trustees may in its discretion purchase from the holders thereof bonds which have been or may be issued under the provisions of section 760 of this title. Interest and profit accruing from the deposits or investment of postal savings funds shall be applied to the payment of interest due to postal savings depositors, as hereinbefore provided, and the excess thereof, if any, shall be covered into the Treasury of the United States as a part of the postal revenue. Postal savings funds in the treasury of said board shall be subject to disposition as provided in this chapter, and not otherwise. The board of trustees may at any time dispose of bonds held as postal savings investments and use the proceeds to meet withdrawals of deposits by depositors."

**Section 10 (39 U. S. Code, 760):**

"Any depositor in a postal savings depository may surrender his deposit, or any part thereof, in sums of \$20, \$40, \$60, \$80, \$100, and multiples of \$100 and \$500,

and receive in lieu of such surrendered deposits, under such regulations as may be established by the board of trustees, the amount of the surrendered deposits in United States coupon or registered bonds of the denominations of \$20, \$40, \$60, \$80, \$100, and \$500, which bonds shall bear interest at the rate of  $2\frac{1}{2}$  per centum per annum, payable semiannually, and be redeemable at the pleasure of the United States after one year from the date of their issue and payable twenty years from such date, and both principal and interest shall be payable in United States gold coin of the present standard of value. The bonds herein authorized shall be issued only (first) when there are outstanding bonds of the United States subject to call, in which case the proceeds of the bonds shall be applied to the redemption at par of outstanding bonds of the United States subject to call, and (second) at times when under authority of law other than that contained in this chapter the Government desires to issue bonds for the purpose of replenishing the Treasury, in which case the issue of bonds under authority of this chapter shall be in lieu of the issue of a like amount of bonds issuable under authority of law other than that contained in this chapter. The bonds authorized by this chapter shall be issued by the Secretary of the Treasury under such regulations as he may prescribe. The authority contained in section 759 of this title for the investment of postal savings funds in United States bonds shall include the authority to invest in the bonds herein authorized whenever such bonds may be lawfully issued. The bonds herein authorized shall be exempt from all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority. No bonds authorized by this chapter

shall be receivable by the Treasurer of the United States as security for the issue of circulating notes by national banking associations."

Section 12 (39 U. S. Code, 762):

"Postal savings depository funds shall be kept separate from other funds by postmasters and other officers and employees of the Postal Service, who shall be held to the same accountability under their bonds for such funds as for public moneys; and no person connected with the Post Office Department shall disclose to any person other than the depositor the amount of any deposits, unless directed so to do by the Postmaster General. All statutes relating to the safekeeping of and proper accounting for postal receipts are made applicable to postal savings funds, and the Postmaster General may require postmasters, assistant postmasters, and clerks at postal savings depositories to give any additional bond he may deem necessary."

Section 15 (39 U. S. Code, 765):

"All the safeguards provided by law for the protection of public moneys, and all statutes relating to the embezzlement, conversion, improper handling, retention, use, or disposal of postal and money-order funds and the punishments provided for such offenses are hereby extended and made applicable to postal savings depository funds, and all statutes relating to false returns of postal and money-order business, the forgery, counterfeiting, alteration, improper use or handling of postal and money-order blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor, with the penalties provided in such statutes are hereby extended and made appli-

cable to postal savings depository business, and the forgery, counterfeiting, alteration, improper use or handling of postal savings depository blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor."

Section 16 (39 U. S. Code, 766) :

"The faith of the United States is solemnly pledged to the payment of the deposits made in postal savings depository offices, with accrued interest thereon as herein provided."

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